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LETTER DATED 7 APRIL 1999 FROM THE SECRETARY-GENERAL ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to transmit to you herewith a communication dated 7 April 1999 which was addressed to me by the Director General of the International Atomic Energy Agency.

I should be grateful if you would have this letter distributed as a document of the Security Council.

(Signed) Kofi A. ANNAN

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Annex

[Original: English]

Letter dated 7 April 1999 from the Director General of the International Atomic Energy Agency addressed to the Secretary-General

In paragraph 16 of its resolution 1051 (1996) of 27 March 1996, the Security Council called for the consolidation of the periodic requirements for progress reports under resolutions 699 (1991), 715 (1991) and 1051 (1996), and requested the Director General to submit such consolidated reports every six months to the Council, commencing on 11 April 1996.

It would therefore be appreciated if you could arrange to transmit to the President of the Security Council the enclosed seventh consolidated semi-annual report under paragraph 16 of resolution 1051 (1996). I remain available for any consultations the Council may wish to have.

(Signed) Mohamed ELBARADEI

Appendix

Seventh consolidated report of the Director General of the International Atomic Energy Agency under paragraph 16 of Security Council resolution 1051 (1996)

INTRODUCTION

1. In paragraph 16 of resolution 1051 (1996), adopted on 27 March 1996, the Security Council called for the consolidation of the periodic progress reports required under resolutions 699 (1991), 715 (1991) and 1051 (1996), and requested the Director General of the International Atomic Energy Agency (IAEA) to submit such a consolidated report every six months to the Council, commencing on 11 April 1996.

2. The Director General submits herewith the seventh[a] such consolidated report under paragraph 16 of resolution 1051 (1996).

3. As is well known, the International Atomic Energy Agency (IAEA) inspectors departed from Iraq on 16 December 1998. Since that date, IAEA has been unable to implement its mandate in Iraq under the relevant Security Council resolutions and, as a result, is unable to provide any assurance that Iraq is in compliance with its obligations under those resolutions. No contact between IAEA and Iraq on matters related to the Security Council resolutions on Iraq has occurred since 16 December 1998.

ONGOING MONITORING AND VERIFICATION

Monitoring inspections

4. Monitoring activities during the period under review (1 October 1998-1 April 1999) were impeded by Iraq's suspension of cooperation from 5 August 1998 until 16 November 1998, which severely limited the level of assurance IAEA was able to provide as to Iraq's compliance with its obligations under the relevant Security Council resolutions. Monitoring activities were interrupted for the period from 11 to 17 November 1998 owing to the temporary relocation of IAEA staff to Bahrain because of safety concerns arising from the escalating situation in Iraq. Monitoring activities were indefinitely suspended on 16 December 1998, when, because of similar concerns, IAEA staff departed from Iraq.

5. On 14 November 1998, Iraq issued a formal statement stating that it would resume cooperation with the United Nations Special Commission (UNSCOM) and IAEA. Iraq's statement rescinded the restrictions it had imposed on the activities of UNSCOM and IAEA, thus permitting resumption of all activities according to the relevant resolutions. As a result, IAEA verification personnel returned to Iraq on 17 November 1998.

6. During the period from 17 November to 13 December 1998, the IAEA Nuclear Monitoring Group carried out an intensified schedule of inspections aimed at

restoring the continuity of knowledge of the status of Iraq's nuclear and related assets, which had been compromised as a result of the interruption of inspection activities from 11 to 17 November 1998. In addition, the Nuclear Monitoring Group, with the assistance of experts from member States, carried out an extensive programme of environmental sample collection involving visits to 113 locations. As reported in document S/1998/1172 of 15 December 1998, Iraq provided the necessary level of cooperation to enable those activities to be completed efficiently and effectively.

7. The restrictions on cooperation imposed by Iraq during the period from 5 August to 16 November 1998 effectively prevented IAEA and UNSCOM from continuing their implementation of the joint programme of inspection of "capable sites", that is, sites that are deemed to have capabilities suitable for conducting work on some aspect of weapons of mass destruction, notwithstanding the lack of evidence or indication of such work. However, during the period from 17 November to 15 December 1998, 7 such inspections were carried out, bringing the total number of inspections at capable sites to more than 90. No indication of prohibited equipment, materials or activities was detected in the course of the inspections.

8. During the active part of the period under review, the Nuclear Monitoring Group carried out 86 monitoring inspections at some 58 locations, of which 7 inspections were carried out at locations not previously inspected. The number of inspections carried out under the IAEA ongoing monitoring and verification plan since the Nuclear Monitoring Group was established in August 1994 now totals some 1,625. The majority of such inspections were carried out with no prior announcement; a number of them were conducted in cooperation with UNSCOM monitoring groups.

Other ongoing monitoring and verification activities

9. Work continued on the updating and expansion of the technological components of ongoing monitoring and verification activities and procedures, in particular the consolidation of a number of those technical activities into a wide area environmental monitoring programme. Until the in-country aspects of this work were interrupted in December 1998, Iraq had been providing the necessary technical support, in particular in connection with the installation and operation of air sampling equipment by IAEA.

10. The results of analyses of the environmental samples taken in connection with the entries to presidential sites, which were carried out from 26 March to 3 April 1998, were received during the period under review. Evaluation of the results, to date, shows no indication of the presence of proscribed materials or the conduct of proscribed activities at any of the sites visited.

Declarations under the ongoing monitoring and verification plan

11. Paragraph 22 and annex 2 of the ongoing monitoring and verification plan (S/22872/Rev.1 and Corr.1) require Iraq to provide semi-annual declarations, in January and July, on the current use of certain facilities, installations and sites, including those formerly involved in its clandestine nuclear programme, and on changes during the previous six months regarding the inventory and

location of materials, equipment and isotopes identified in annexes 3 and 4 of the plan. To date, Iraq has not provided the declaration due on 15 January 1999.

Release, relocation and change of use of equipment, material and facilities

12. In the period under review, the National Monitoring Directorate of Iraq submitted eight requests to IAEA for approval of the release or relocation of equipment and materials or of the change of use of monitored buildings. The requests were processed in consultation with the Special Commission. Seven requests were approved and Iraq was notified accordingly. Iraq was advised that one request relating to the relocation and installation of lightning arrestors containing radioisotopes should be postponed pending decisions regarding the proposed replacement of all such devices with non-radioactive designs. Items for which release, relocation or change of use is approved remain subject to ongoing monitoring and verification at a frequency commensurate with their significance.

Export/import mechanism

13. The export/import monitoring mechanism for Iraq, jointly administered by UNSCOM and IAEA, has, since October 1996, received notification of some 30 transactions involving the intended export to Iraq of items identified in the annexes to the respective ongoing monitoring and verification plans. Only two of those notifications involved items (personal computers) identified in the IAEA ongoing monitoring and verification plan. It is understood that the export of those items was approved.

REMAINING QUESTIONS AND CONCERNS

14. During the period from 9 to 13 December, the leader of the IAEA Iraq Action Team, accompanied by two additional IAEA personnel, visited Baghdad to review, with senior Iraqi counterparts the status of the remaining questions and concerns related to Iraq's clandestine nuclear programme. The discussions revisited the three areas of uncertainty referred to in document S/1999/127, namely, the lack of certain documentation, in particular centrifuge design drawings obtained from foreign sources and detailed mechanical design drawings of the nuclear weapon; documentary evidence of abandonment by Iraq of its clandestine nuclear programme; and the extent of external assistance to that programme.

15. In the first two areas, the Iraqi counterpart was willing to review its explanations of the unavailability of such documentation. Although the counterpart made available for interview all requested personnel who, in the judgement of IAEA, could contribute to clarification in those areas, no further clarification was obtained.

16. Regarding the matter of "external assistance", IAEA had previously asked Iraq to assist in attempts to locate an Iraqi expatriate who had been involved in the particular case under examination. During the December 1998 discussions, the Iraqi counterpart made arrangements for IAEA to interview an individual who

was able only to confirm the country of residence of the sought-after individual. The Iraqi counterpart agreed to locate other individuals that might be better informed and to make them available for interview at a later date. The events of 16 December have interrupted that plan.

17. The opportunity was taken to clarify the findings of a detailed analysis of Iraq's uranium metal production that was recently completed by IAEA. On the basis of information available, Iraq's stated production was judged to be consistent with the findings. The Iraqi counterpart agreed to correct a number of numerical inconsistencies in the data contained in the "full, final and complete declaration".

18. The requirement under paragraph 34 of the IAEA ongoing monitoring and verification plan that Iraq adopt the necessary measures to implement its obligations under the relevant Security Council resolutions and enact penal laws to secure enforcement of those measures was again raised with the Iraqi counterpart. The counterpart tabled an earlier draft of that legislation, which appeared to be less than adequate. By way of example, IAEA provided the counterpart with copies of similar legislation, which addressed the issues in a much more comprehensive manner.

19. The December 1998 discussions were completed with a meeting with the Deputy Prime Minister of Iraq, Tariq Aziz, who, among other things, reaffirmed Iraq's intention to adopt the measures and enact the penal laws referred to above. He raised the matter of the intrusion resulting from the carrying out by IAEA of vehicle-based radiation surveys in residential areas, but stated that if IAEA was convinced of the need for such surveys there would be no objection from Iraq. The Deputy Prime Minister also reaffirmed Iraq's acceptance of the right of IAEA to continue to investigate any aspects of Iraq's clandestine nuclear programme on the basis of any information that came to its attention.

STATUS OF INTERNATIONAL ATOMIC ENERGY AGENCY VERIFICATION ACTIVITIES IN IRAQ

20. It is now more than 100 days since the last on-site inspection in Iraq. The status of IAEA verification activities in Iraq is unchanged from that reported in document S/1999/127, which was provided as a summary document to facilitate the work of the panel on disarmament and current and future ongoing monitoring and verification issues established pursuant to document S/1999/100 of 30 January 1999. The concluding paragraphs of document S/1999/127 are, for convenience, reproduced below:

> "30. The IAEA's current inability to implement its mandate in Iraq, under the relevant Security Council resolutions, renders it unable to provide any assurance that Iraq is in compliance with its obligations under those resolutions. To be able to implement its mandate and particularly to reinstate continuity of knowledge of Iraq's nuclear-related assets, it is essential that the IAEA return to Iraq as soon as possible.
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> "31. The IAEA's extensive verification activities in Iraq, since May 1991, have yielded a technically coherent picture of Iraq's clandestine nuclear

programme. These verification activities have revealed no indication that Iraq possesses nuclear weapons or any meaningful amounts of weapon-usable nuclear material, or that Iraq has retained any practical capability (facilities or hardware) for the production of such material.

"32. However, there is an inevitable degree of uncertainty in any countrywide verification process that seeks to prove the absence of readily concealable or disguisable items or activities. It is this uncertainty which makes it essential for ongoing monitoring and verification to be a continuous process. Nonetheless, the IAEA, despite its extensive verification measures, cannot provide absolute assurance of the absence of readily concealable items, such as components of centrifuge machines or copies of weapon-related documentation. Similarly, it should be recognized that verification measures cannot guarantee detection of readily concealable or disguisable proscribed activities, such as computer-based weaponization studies, explosives experimentation or small-scale centrifuge cascade development. A statement by the IAEA that it has found 'no indication' of prohibited equipment, materials or activities in Iraq is not the same as a statement of their 'non-existence'. It is for this reason that the [ongoing monitoring and verification (OMV)] plan takes into account the prudent assumption that Iraq has retained documentation of its clandestine nuclear programme, specimens of important components and possibly amounts of non-enriched uranium. It is similarly assumed that Iraq retains the capability to exploit, for nuclear weapons purposes, any relevant materials or technology to which it may gain access in the future.

"33. Resolution of the few remaining questions and concerns ... would undoubtedly contribute to the confidence in the completeness of the technically coherent picture. However, Iraq has consistently stated that it is unable to provide any further information or documentation. In this latter regard, Iraq states that much of the requested documentation never existed and that which did exist had been unilaterally destroyed by Iraq in 1991 and 1992. The IAEA holds no credible information to confirm or refute Iraq's statements.

"34. The uncertainty deriving from the few remaining questions and concerns does not present any technical impediment to the full implementation of the IAEA's OMV plan, which takes into account those uncertainties. Provided that it is able to exercise its right to full and free access in Iraq, the IAEA is in a position to proceed with the full implementation of its OMV plan and, as part of that plan, to investigate further the remaining questions and concerns and any other aspect of Iraq's clandestine nuclear programme arising out of new information acquired by the IAEA.

"35. The scope of the activities to be carried out within the frame of the OMV plan is based upon the technically coherent picture of Iraq's clandestine nuclear programme, and remaining uncertainties are compensated for by prudent assumptions regarding Iraq's nuclear capabilities. These assumptions, as, for example, the assumption that Iraq has the capability to exploit, for nuclear weapons purposes, any relevant materials or

technology to which it may gain access in the future, are based on logical assessment rather than clear indications to that effect.

"36. It is estimated that the annual direct costs of full implementation of the IAEA OMV plan will be in the region of ten million US dollars, not including the substantial costs of logistical and other assistance provided through the Special Commission. Arrangements for the resumption of the IAEA's activities in Iraq should take into consideration the need for long-term funding of those activities."

Notes

[a] The previous consolidated reports of the Director General of IAEA were circulated as documents S/1996/261 of 11 April 1996, S/1996/833 of 7 October 1996, S/1997/297 of 11 April 1997, S/1997/779 of 8 October 1997, S/1998/312 of 9 April 1998 and S/1998/927 of 7 October 1998. Document S/1998/694, dated 27 July 1998, contained the text of an interim status report provided in response to the statement of the President of the Security Council dated 14 May 1998 (S/PRST/1998/11). Document S/1999/127, dated 9 February 1999, contained the text of an interim status report provided in response to the note by the President of the Security Council dated 30 January 1999 (S/1999/100).